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13 January 2011

Dear Mr Hodgson

### **SHREWSBURY (KINGSLAND) BRIDGE – TOLL REVIEW APPLICATION**

1. I am directed by the Secretary of State for Transport to refer to the application by the Shrewsbury (Kingsland) Bridge under the Transport Charges &c. (Miscellaneous Provisions) Act 1954 to revise tolls for the use of the Shrewsbury (Kingsland) Bridge.

2. The existing classifications and the proposed tolls charged are as follows;

Class of Traffic	Current Toll Charges	Proposed Toll Charges
1. Pedestrian, pedal cycle, motor cycle with or without sidecar	1p	1p
2. Motor vehicle other than in Class 1	10p	20p

(But see paragraph 9 below)

3. The Secretary of State in reaching his decision has considered his obligations under section 6(3) of the 1954 Act (as amended) that he must;

“...have regard to the financial position and future prospects of the undertaking and shall not make any revision of charges which in his opinion would be likely to result in the undertaking receiving an annual revenue either substantially less or substantially more than adequate to meet such expenditure on the working, management and maintenance of the undertaking and such other costs, charges and expenses of the undertaking as are properly chargeable to revenue, including reasonable contributions to any reserve, contingency or other fund and, where appropriate, a reasonable return upon the paid up share capital of the undertaking...”

4. The Director of the Shrewsbury (Kingsland) Bridge has advised that he wishes to raise toll charges on the Bridge to meet the increased costs of maintaining and operating the Bridge.

5. The Secretary of State when considering the application has noted that the operating and running costs for the Shrewsbury (Kingsland) Bridge have increased since the last tolls increase in 1995, 15 years ago, and that toll revenues have decreased over recent years due to the migration of professional firms away from the town centre causing a reduction in those using the Bridge.

6. The Director of Shrewsbury (Kingsland) Bridge has advised that if the increase in toll charges is approved they will be in a position to be able to meet their future annual maintenance costs and will be able to accumulate the necessary reserve funds to cover the ongoing programme of maintenance and capital investment in the longer term.

7. The Secretary of State has noted that there have been no objections to the application received within the statutory 42 day appeal period.

8. The Secretary of State has now decided to withdraw the VAT Reimbursement scheme, in view of the Government's overall commitment to reduce the fiscal deficit. It has been decided not to terminate the scheme until 1 April 2012. This should allow you the ability to claim reimbursement until the end of the next financial year and provide time to plan accordingly. To assist you on this we have set the maximum toll limit at £0.30p, so 10p higher than the £0.20p requested by you in the company's toll application. This should give you the flexibility to introduce a further increase at a later stage, if you feel it necessary to do so. You will wish to be aware that, under Section 6(2)ii of the Transport Charges (Miscellaneous Provisions) &c. Act 1954, a new toll revision application cannot be made by the Company to the Secretary of State within 12 months of the making of this Order.

9. On the basis of the evidence before him and having regard to his obligations under section 6 of the Transport Charges &c. (Miscellaneous Provisions) Act 1954, the Secretary of State is satisfied that the proposed toll revisions are justified. The Secretary of State has, therefore decided to make the Order.

10. A copy of the signed Order is attached for information.

Yours sincerely,

Mike Fawcett  
Northern Regions and Cities Delivery